

**Memorandum**

To: James D. Boyd, Presiding Member  
William J. Keese, Associate Member

From: California Energy Commission - Lance Shaw *Lance Shaw 17 May 02*  
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Date: May 17, 2002  
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File:

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Subject: **AVENAL ENERGY POWER PLANT (01-AFC-20) STATUS REPORT #1**

As of April 19, 2002, Lance Shaw assumed siting project management responsibilities. Work on producing Staff's Preliminary Assessment (PSA) is in process.

To date the significant issues identified in this project are air quality, and soil and water resources. In reviewing PSA sections, potential issues exist in transmission system engineering, biological resources, public health, and visual resources.

**Applicant's Data Requests of Energy Commission Staff**

On April 8, 2002 the applicant issued data requests of staff regarding specific aspects of staff's analysis of the proposed project's water sources. The applicant's data requests have been posted to the website. On May 8, 2002 staff responded to the applicant-issued data requests regarding staff's bases and authority to employ specific water statutes and guidelines in the analysis of the applicant's proposed project.

Staff is in the process of issuing a third set of data requests related to biological resources, electrical transmission system impacts, visible plumes, and public health. The public health data request relates to the applicant's use of groundwater as the plant's backup water source. Staff needs to know if (or the extent to which) this water source contains hexavalent chromium.

**Schedule**

In the Committee Scheduling Order issued on February 5, 2002, several key events which impact the project's schedule and staff's filing of its Preliminary Assessment (PSA) were to have taken place by April 18. Two of these have not yet taken place, however, work is in process on all.

One of these events is the issuance by Department of Water Resources (DWR) of its concurrence with the project's proposed water transfer. Staff has been in contact with DWR regarding the water transfer. However, staff does not yet have a date for when DWR will issue its concurrence.

The other event which is quite crucial in the process of issuing the PSA is the receipt of the preliminary determination of compliance (PDOC). The San Joaquin Valley Unified Air Pollution Control District (District) has not issued its PDOC for the Avenal project. Staff is

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working with the District on this project as well as another power plant project, the San Joaquin Valley Energy Center (SJVEC) project (02-AFC-22).

The District received comments from staff and the U. S. Environmental Protection Agency (EPA) on the District's PDOC for SJVEC. Specifically, the main issues are best available control technology (BACT) levels and the validity of using early 1990s air emission offset credits (ERC) for District air permits. These issues are also present on the Avenal project. The District is working with staff and the EPA to resolve the comments for both projects. However, the effort is delaying the issuance of the PDOC for Avenal (and the FDOC for the SJVEC).

Staff proposes to issue its PSA within 30 days of receipt of the PDOC from the District. The PDOC is tentatively scheduled for the end of May 2002. Staff needs the PDOC to issue its air quality PSA section.

cc: Avenal Energy Project Proof of Service list